

Taiwanese Company Force MOS Technology Has Standing to Proceed to Trial in U.S. Patent Infringement Lawsuit Against ASUSTeK

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In a recent January 22, 2025 order, federal district court Judge Rodney Gilstrap in the Eastern District of Texas shot down Taiwan-based ASUSTeK Computer, Inc. (ASUS)'s attempt to short circuit a patent infringement case headed for trial on February 7, 2025, dismissing ASUS's motion for partial summary judgment as to plaintiff Force MOS Technology, Co., Ltd. (Taiwan) lacking constitutional standing to assert one of its patents. Notably, despite no cross motion by Plaintiff on the same issue, Judge Gilstrap also indicated he was inclined to grant summary judgment in Plaintiff's favor and affirm its constitutional standing to assert that patent.

Originally filed in 2022, Force MOS's amended suit presently asserts three patents, alleging direct and induced infringement claims under 35 U.S.C. §§ 271(a) and (b). The patent at issue in the summary judgment ruling, U.S. Patent No. 7,812,409 (the '409 Patent), relates to an allegedly more durable and efficient semiconductor device that reduces failure through improved structural design. In the original assignment agreement filed with the USPTO, the inventor erroneously assigned his rights in the application that would issue as the '409 Patent to Force-MOS Technology **CORP.** (KY) [the KY designation being the USPTO's country code for the Cayman Islands], a non-existent entity, instead of to the existing, proper entity Force MOS Technology **CO., LTD.** (Cayman Islands). Subsequent authorization agreements executed shortly after the original assignment between the *existing* Cayman entity and its Taiwanese affiliate (the Plaintiff) assumed the initial transfer of the inventors' rights to the Cayman entity was proper, but the uncorrected error in the assignee's name remains on the face of the issued patent. ASUS argued that because the initial assignment to the *non-existing* entity was void, Plaintiff did not have proper standing to assert the '409 Patent in federal district court.

To have proper standing to bring a patent infringement lawsuit in federal court, the plaintiff must satisfy both a constitutional standing requirement under Article III of the U.S. Constitution as well as a statutory (sometimes called "prudential") standing requirement under 35 U.S.C. § 281.

By way of background, Article III of the Constitution limits federal judges to resolving only actual cases or controversies. In patent litigation, claimants pass this constitutional threshold by alleging possession of an "exclusionary right" from the granted patent, which allows them to prevent others from using the invention. Proving this right exists and has been violated by an unlicensed infringer is essential for demonstrating the necessary injury for constitutional standing in federal court. We previously briefed on constitutional standing in patent cases, [here](#)

(asking whether the plaintiff was injured and has *any exclusionary* right), and on prudential or statutory standing in patent cases, [here](#) (asking whether the plaintiff has *all substantial* rights).

In the instant case, Judge Gilstrap determined that ASUS's motion raised the question of constitutional standing only and he limited his ruling thereto. Due to the ambiguity caused by the inventor's initial assignment of all rights to a non-existent Cayman entity, he turned to extrinsic evidence to clarify the intended assignee. In concluding that the existing Cayman entity was the intended assignee, Judge Gilstrap relied on the interchangeability of the existing entities' names (substituting "Co. Ltd." for "Corp."); the fact that the inventor was obligated to assign his rights to either the Plaintiff in Taiwan or that existing Cayman affiliate; and the terms of the subsequent transfer assignment from the Cayman entity to Plaintiff, which made it clear that all relevant parties believed the rights to the invention actually had been assigned to the existing Cayman entity.

Having determined the original intended assignee had then assigned those patent rights to Plaintiff—and Plaintiff therefore possessed an exclusionary right in the patent—Judge Gilstrap did not merely deny ASUS's motion for summary judgment, but further indicated he was ready to rule the opposite way and asked ASUS to file a response as to why he should not. Although rare, a judge may *sua sponte* grant summary judgment for a non-moving party under the Federal Rules of Civil Procedure Rule 56(f), so long as the summary judgment standard is met, and the court provides notice and an opportunity to respond.

TAKEAWAY

Even if errors in assignment may not be fatal to a successor-in-interest's constitutional standing to bring a patent infringement lawsuit in U.S. federal district court, they should be avoided. Similar sounding or spelled affiliate names should be scrutinized in the chain of title and the proper transferor and transferee names should conform in all relevant inventorship documents and assignment agreements. Although a court may fall back on extrinsic evidence where ambiguity exists as to the actual assignee, constitutional prerequisites to high-stakes patent litigation are better not left to chance.

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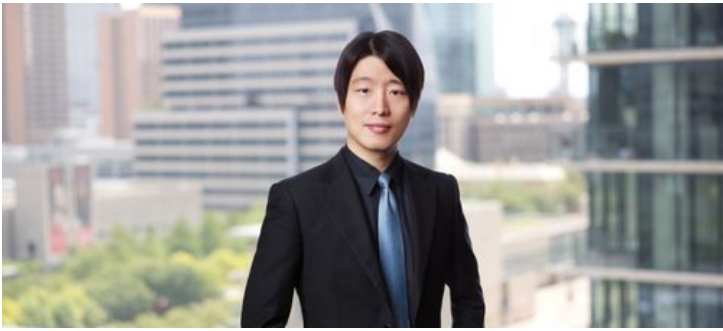
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